



STATE OF SOUTH CAROLINA DEPARTMENT OF EDUCATION

Mick Zais
Superintendent

1429 Senate Street
Columbia, South Carolina 29201

MEMORANDUM

TO: Charter School Directors

FROM: Melissa A. Myers, Audits Manager *MAM*
Office of Auditing Services

DATE: October 29, 2014

RE: ANNUAL SUBMISSION OF AUDIT REPORTS

Section 59-40-50(B)(3) of the South Carolina Code of Laws (2004), as amended, states “A charter school must adhere to the same financial audits, audit procedures, and audit requirements as are applied to public schools operating in the same district.”

The Office of Auditing Services publishes its *Annual Audit Guide* that lists both state and federal audit requirements for the required annual audit. The FY 2013–14 Guide can be found on the SCDE’s website at <http://ed.sc.gov/agency/as/ManualsHandbooksandGuidelines.cfm>.

As a component unit of a school district, charter schools must submit financial data to the sponsoring district for inclusion in the District’s report. Please review the “Component Units” section of the *Annual Audit Guide* on page 8 for charter school reporting requirements. Also, note the **required** supplemental schedules on pages 51–127.

In addition to inclusion in the District’s report, State Board of Education Regulation 43-601 states that each authorized charter school in the State **must** have an annual, independent audit conducted by a qualified auditing or accounting firm and must file the audit annually with the school’s authorized public chartering agency. In addition to filing the audit with the school’s chartering agency, the SCDE requests that all charter schools file the audit with the SCDE in the same method as is required by school districts. Section 59-17-100 of the SC Code of Laws states that each school district must provide copies of their audit report to the South Carolina Department of Education by December 1 of each year.

Beginning this year, audited information must be submitted through the SCDE’s new LEA Audit Reporting System (LARS). An account must be established within the SCDE’s member center to access the system. An instructional video on accessing and submitting the required documents can be

found on the SCDE's Office of Auditing Services webpage at
<http://ed.sc.gov/agency/as/InformationMemosandForms.cfm> .

The following documents must be uploaded into LARS:

1. The SCDE supplemental schedules for each fund type in .xlsx format. A copy of the Excel template can be found at <http://ed.sc.gov/agency/as/ManualsHandbooksandGuidelines.cfm>. **Do not delete rows or columns from the template. If there is no activity in an account, please list \$0.** If any errors or warnings are found after the template has been uploaded, all errors must be cleared and all warnings must be accepted before the submission will be accepted. **Please confer with your sponsoring district to determine if their Excel template blends data from your charter school. If the sponsor has included your data in their SCDE supplemental schedules for each fund type, DO NOT submit a separate schedule. If the sponsor has not submitted any data for your school, please select the option that says "charter" only.**
2. Full audit report, including the SCDE supplemental schedules, summary schedule of prior year audit findings, and corrective action plan as one document in .pdf
3. OMB Circular A-133 Data Collection Form in .pdf

Thank you for your compliance. If you have any questions concerning the annual audit report submission or this letter, please contact me at 803-734-8453 or mmyers@ed.sc.gov.

MAM/dlw

cc: Nancy Williams, CPA, Director, Office of Auditing Services
Mellanie Jinnette, Chief Financial Officer
Jennifer Morrison, Director, Office of School Transformation
LEA School Business Officials (w/charter schools)